

SPEECH

OF

Relief and Duties
MR. P. P. BARBOUR, OF VIR.

ON THE

Tariff Bill.

DELIVERED

IN THE HOUSE OF REPRESENTATIVES U. S.

MARCH 26, 1824.

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*On the bill to amend the several acts laying duties
on Imports.*

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Mr. BARBOUR said, that, having determined, at some period of the discussion, to present his views of the general principles involved in the bill under consideration, and believing that the present motion afforded an opportunity to do so, he would, with the indulgence of the committee, avail himself of it.

No subject, said Mr. B. of a more important character than this, has occupied the attention of the National Legislature, during its present session. This is the third time that it has been brought upon the tapis, during my short political life; it has not only been debated again and again in this and the other House, but the press has teemed with pamphlets and newspaper publications in relation to it. It is not a question, as was said on another occasion during this session, of political metaphysics, but of severe practical taxation; one which comes home to the sensibility of the pocket nerve. In opposing this bill, I feel that I am defending the cause, not of my own immediate constituents only, but of the whole commonwealth of Virginia, of which they compose a part; not of them only, but of the whole South; not of them only, but of other parts of this confederacy, against the injurious effects, which, in my opinion, this bill would produce upon their great and essential interests. I wish, sir, that a cause so great, had an abler advocate; but I shall, to the utmost extent of my ability,

endeavor to present the subject in its true light; should I not succeed, whilst I shall have the consolation of knowing that I have done my duty, I shall feel, that my defeat was not ascribable to the weakness of my position, but to the inadequate manner in which it was defended.

This bill has been presented to us in various phases; some gentlemen say, it is a measure to increase the revenue, some tell us it is to encourage agriculture, whilst others sustain it on the ground, that it will afford encouragement to the manufactures of the country. It would indeed be as rare, as it would be valuable, if it could accomplish all these objects; to harmonize these conflicting principles, is just as impossible, as it would be for a person who stood at a medial point between two given objects, to approach the one, without receding from the other; and I fear, sir, that it would turn out to be in legislation, what certain specifics come to be in medicine: published to the world, as a cure for almost every disease, they prove to be an effectual remedy for none. Without further remark, I pass directly to the discussion.

I would not vote for this bill, sir, even if it could be placed upon the grounds, which would be confessedly most advantageous for its advocates—that is, even if it were a bill designed to raise revenue, and if such would be its effect. I would not do it, for this obvious reason, that the exigencies of the Treasury do not call for an increase of revenue.

In proof of this, I beg leave to present to the committee, a brief view of our financial situation, as exhibited in official documents, giving an exposition in detail. The present condition of the Treasury is such, as to enable us, by anticipation, to purchase our 7 per cent stock during the current year, which would not become due till the next. The 3 per cent. stock, amounting to \$13,296,099 06, no gentleman would think of paying at par, and consequently it would only be purchased upon such terms as might be agreed upon, between the government and stock holders. The \$7,000,000 due to the Bank of the United States, may be considered in effect as paid, inasmuch as we own stock to an equal amount, in the Bank, the dividends on which are equivalent to the interest which we pay; besides, our debt to the Bank is at an interest of only 5 per cent. and therefore falls within the influence of the reasoning applicable to the remaining part of our debt bearing that interest. The residue of the public debt consists of 6 per cent. stock, and 5 per cent. stock; and we have sa-

tisfactory reason to believe, that a considerable part of the 6 per cent. stock, can be commuted into a 5 per cent. Let me add, that gentlemen mistake, when they say, that a large share of this debt will successively fall due in the years 1826, 1827, and 1828. Although in those years, large sums are redeemable, that is, we may pay them, if we chuse, yet we are under no obligation to pay them; and it is estimated, that, with the exception of the Bank debt and the 3 per cent. stock, the existing revenue of the government will be competent to redeem our whole public debt in the year 1835, a period of eleven years from the present. Now, sir, although I am one of the last men in the world who would subscribe to the doctrine, that a public debt is a public blessing, but on the contrary, consider it an evil, and am desirous of paying it, yet in doing so, I would exercise discretion, I would practice moderation. As a guardian of the public interest, I would act in relation to their debts, as I would in relation to my own; I would not suffer a solicitude to pay a debt not coercible, to induce me to sell property at a sacrifice, or to borrow money at a higher rate of interest, than that of the debt to be paid with it. Let us for a moment apply these plain principles to our situation: there is no part of the debt bearing higher interest than 6 per cent.; and there is no part of the United States, it is believed, where the legal rate of interest is less; but as far as the 6 per cent. stock could be commuted for a 5 per cent. stock, and to the whole amount of the 5 per cent. if we were to draw additional revenue from the people to pay it; it would create an increased pressure upon them, at a time certainly not favorable for the purpose of paying with money worth 6 per cent., a debt on which we should only pay an interest of 5 per cent. This would be actually a loss, and even as to 6 per cent. stock, no gain. I would in this regard, then, adopt the maxim of the celebrated English Minister Burleigh: That it is not desirable to see the Treasury swoln like a disordered spleen, whilst the nation was in a consumption. I would act upon the principle of his mistress Queen Elizabeth, that at present, beyond the existing revenue, the money is better in the pockets of our people, than in our exchequer, or I will add, in the pockets of our public creditors.

As far, sir, as this bill is designed to give encouragement to manufactures, or even, if you please, to national industry in general, I would vote against it, for another strong, and, in my estimation, decisive reason. And here, Mr. Chairman, though I am about to derive an ar-

gument from the constitution, I trust that I shall not press upon the confines of political metaphysics. The constitution gives to Congress the power to lay and collect taxes, duties, imposts, and excises. This bill proposes to lay and collect duties, and therefore I shall not undertake to say that it is a violation of the letter of the constitution. But this I do mean to contend, and I think I shall be able to prove with as high an approximation to demonstration as moral evidence is capable of, that this bill does violate the *spirit of the constitution*. The power to impose taxes, duties, &c. it will not be denied by any gentleman, was given to us for the purpose of raising revenue, which revenue is to be applied to the ends pointed out in the constitution. Now, sir, as far as, by this bill, it is proposed to encourage manufactures, or any other department of industry, we shall be using this power, not only not for the purpose for which it was given, but for another and a different one, and, as I shall attempt to prove, one which will defeat that for which the power was given; and then this question presents itself, whether we do not, in effect, transcend the limits of our legitimate authority as much by the exercise of a *granted* power for a purpose for which it was not granted, as by the exercise of a power *not granted*? I answer, that we do. As no general reasoning strikes the mind as forcibly as examples, I will illustrate my proposition by putting some analogous cases. Congress has power to borrow money. Let us suppose, that the capitalists of this country were, by petition to this House, to complain that, in consequence of the general languor of the commerce of the world, they could find no longer any mercantile investment of their capital, which would yield them any tolerable profit, or, if you please, any profit at all, and, therefore, they called upon us to borrow of them some millions of money, at any given rate of interest. Let us suppose our finances to be in such a situation as not to need it, and yet, to save these capitalists from sinking, we accepted their proposition under our power to borrow money.

Let us suppose that Congress, impressed with a belief that the importation of certain articles of luxury was injurious either to the wealth, the morals, or the simplicity of the manners of our people, with a view to arrest the importation of such articles, imposed very high duties, not at all with a view to revenue, but for the avowed purpose of prohibition, and high enough to produce that effect; and that this was done under the power to

lay duties and excises, by which, in effect, we should pass sumptuary laws.

Congress has power to provide and maintain a navy. Let us suppose that, upon the termination of the European war, by the peace of 1814, our navigating interest had represented that, during that war, we, by the circumstance of our neutral character, had, for a series of years, the carrying trade for the belligerents; that we had thereby profited at the rate of \$15,000,000 per annum, at which, I believe, the carrying trade is estimated in Seybert's statistics; that, by means of the peace, thousands in our mercantile marine were thrown out of employment; and let us suppose that, though the extent of our navy did not require it, we yet employed many of these persons with a view to give them employment, under our power to provide and maintain a navy. I could go on, sir, multiplying examples of this kind, with much more ease than they could be answered. These are sufficient for my purpose. In each of the cases which I have here put, it might be affirmed, with just as much propriety as in the present, that we were exercising powers which were clearly given; yet, every man would admit that we were abusing those powers. And why, sir? For the simple reason that we were using them for purposes for which they were not granted; and let me ask, sir, whether the same objection does not apply here? If, as must be admitted, the power to lay duties were given solely to raise revenue, surely when we apply that power not for that purpose, but for another, and that, too, which defeats the legitimate one, we are exercising that power for a purpose for which it was not granted. Sir, I have no apprehension of these things at present, whilst our virtue, intelligence, and patriotism continue; but, as any one man cannot hope to escape that mortality which is the lot of his species, so neither can any government expect wholly to avoid those evil times which history teaches us have befallen all the governments of the earth. When we shall fall upon such times, what now is precedent, will then become principle; and, "by the same example, many an error will rush into the state." They can look back, and find, in the best periods of the republic, precedents for applying a power for a different purpose from that for which it was given, and thus the whole constitution may be made to swing from its moorings.

Mr. Chairman, I would not vote for this bill for another reason, which I regret to be under the necessity of

mentioning. I regret it, because it has reference to the difference in the local interests of this mighty confederacy, and I would be one of the last men in the world who would excite any thing like jealousy, or even sensibility, amongst its constituent parts; but I should feel that I should be wanting in my duty to my constituents, if I did not present this view to the committee. It has been seen that one object of this bill, and no one will deny but that it is a leading object, is to foster domestic manufactures. This encouragement, sir, from the force of circumstances, and the nature of things, must operate in favor of some parts of the Union, to the exclusion of others. Cast your eye over the map of the United States; look at its geographical situation, and estimate duly the considerations which I am now about to submit. In some portions of this country, there is a large accumulation of capital, the fruit of foreign commerce. In others, there is a great comparative deficiency of capital. In some parts, there is, for this Western world, a dense population; in others, it is sparse. Thus, take Connecticut and Virginia as the subjects of comparison. By the census of 1810, Connecticut had about 56 to the square mile; Virginia about 14. In some parts, there is free labor; in others, there is only slave labor. Now, sir, let me ask, what hope is there, in the career of competition, between two sections of country, in one of which there is a combination of the three great advantages of large capital, dense population, and free labor; and in the other of which there is a combination of the three great disadvantages of a deficient capital, sparse population, and slave labor? The question needs only to be stated to be answered. It would indeed be the race between the tortoise and the hare; the last must stop, or never be overtaken. Now, sir, it certainly was the intention, in forming this government, that the different states should, as far as circumstances would permit, participate equally in its burdens and benefits. And hence, the provision, that direct taxes should be apportioned to numbers; that other taxes should be uniform; that no regulation of commerce should give a preference to the ports of one state over those of another, &c. But, sir, the balance is equally disturbed, whether a weight is taken out of one scale, or put into another. If, in the exercise of a power for the purpose for which it was given, one state suffers less burden, or receives more benefit, than others, we must submit to the consequence; but, when a power is to be exercised for a purpose for which it was not given, and this consequence is to follow, then we have just cause of complaint.

I come now, sir, to "consider this bill in the different lights in which it has been presented by its advocates, and to examine the several grounds on which they have rested its defence.

In the first place, it is said that the bill will increase the revenue. I think I shall be able to shew, that it will have a directly contrary effect; that diminution of revenue, not increase, will be a necessary consequence of its passage. It is conceded, on all hands, that the inevitable effect, in the first instance, will be to increase the price of the goods imported; this can be denied by no man. This being the case, the amount of the produce exported from the country, whatever it may be, will purchase fewer commodities than it did before, unless gentlemen are prepared to maintain the proposition that the same sum of money will purchase as much, at a higher price, as it would do at a lower one. The quantity of goods imported then, must be diminished; the only possible ground on which it can be contended that the revenue will not be diminished, is, that the increase of duty on the goods which will be imported, will be equal to the loss of the former duty upon such goods as shall cease to be imported. It is impossible to say, what will be the precise extent of the diminution of importation; but we may resort to some data which will constitute the basis of a reasonable calculation. It may be, that articles of mere luxury, which are consumed only by the wealthy, may, at the advanced price, yet be imported, as before; articles of downright necessity will be so imported; but there is a large description of articles which, though they may be convenient, and may contribute to increase the stock of comfort, may be dispensed with. This latter kind of article is used by that great class of our people, constituting a decided majority of the nation, who are either poor, or in the various gradations of property, from poverty towards wealth, but falling entirely short of that point. Now, sir, it is in this kind of imported goods, and in this part of our population, that I think it fair to infer, that a very great diminution will take place, and considerably more than will countervail any advantage to be expected from the increased duty upon goods which will continue to be imported. Thus, sir, the goods imported in the year 1822, paying an ad valorem duty of 25 per cent. amounted to \$21,701,040; more than one-fourth part of the whole imports of the year. It is known, that all the goods paying this rate of ad valorem duty, are those of which wool and cotton are the materials. How large a portion

of the coarse kinds of these goods is used by our poorer people, and by the wealthier for their slaves? And yet, these articles can, and most of them probably will, be manufactured in household establishments, rather than pay the high duties imposed by this bill; especially such as plains or negro cloths, which, from the statement appended to the New York memorial, would, upon the minimum in the tariff, and at the rate of duty after June, 1825, pay from 104 to 130 per cent. But, if I should even mistake in this, it is clear, beyond all question, that the progressive and ultimate effect would be a diminution of revenue. The very object which gentlemen have in view, is, by high duties, to exclude foreign articles from coming into competition with those of a domestic manufacture. If this consequence were not to follow, the whole policy of the bill would fail; the manufacturers would not receive the encouragement intended, and the consumer would, unnecessarily, as well as unjustly, be incumbered with higher prices. But, supposing the operation of the bill to be, what it certainly will be, that, in consequence of the protection afforded, the domestic manufactures will progressively displace the foreign, and be consumed in their place. Then, it is palpable, that in exact proportion as this takes place, foreign goods will cease to be imported, and, consequently, the revenue will be correspondingly diminished; and, finally, whenever the time should arrive, that the consumption of domestic manufactures should entirely take the place of foreign, there would be a total stop to all imports, because there would be an end to importation. But the revenue lost, must be supplied, and I beg leave to inquire how, and by whom? We have been told, that manufactures themselves, after they shall be firmly established by a system of protecting duties, will be able to supply this deficit. If we were to judge from past experience, this promise holds out but little consolation. In 1816, a duty of 25 per cent. was imposed upon cotton and woollen goods, with a minimum upon coarse cottons, under the expectation that, in three years, these manufactures would reach such maturity that they could sustain themselves, with the aid of a smaller duty. And, accordingly, the act of 1816 declared, that, after June, 1819, it should be reduced to 20 per cent.; but, after continuing the 25 per cent. by a subsequent act, now in the eighth year, so far from being able to do with a lesser duty, we are called upon to increase the minimum on cotton, and to increase the duty and create a minimum in relation to wool. Thus, as

they grow in years, they seem to decrease in strength; and so far from affording revenue, they cannot exist under a diminution of duty. So far from this, they call aloud for an increase of duty, as necessary to their very existence. No, Mr. Chairman, the deficit must be supplied by a direct tax. The reasoning which could convince Congress that it was right to impose high duties on foreign goods, to aid our manufactures, would be strong enough to prove, that they ought not to be depressed, as their advocates would say, by an excise. And thus the community would be doubly taxed: first, by the high prices which they must pay for domestic manufactures, in consequence of the foreign being excluded by our duties; and, secondly, by the tax which must be paid to supply the deficiency in the revenue, produced by the same exclusion of foreign goods. Whereas, had foreign goods been not excluded, they would have purchased them at a cheaper price than the domestic, and have saved that difference in price. And even of the price that they would have paid for them, a part would, in the shape of impost duty, have gone into the Treasury, and thus there would be no deficiency to supply, by them, in the shape of direct taxation. But, to give the gentlemen all they ask for, let us suppose, that an excise could be imposed upon domestic manufactures, what, let me ask, have we gained? Surely I need not attempt to prove to the committee, that the great body of the community who are consumers, would, as such, ultimately pay this tax too. And thus, after losing all the difference between the high price at which we have to buy the domestic articles, and the low price at which we could have bought the foreign, in supplying the deficit in revenue, occasioned by the exclusion of the foreign, we have the high privilege of being taxed with excise, instead of imposts. The loss to us, in this arrangement, I can easily perceive, but the gain I cannot, unless it be the gain of a more disagreeable, instead of a more agreeable mode of taxation.

Mr. Chairman, are the people of this country prepared, in time of peace, for a direct tax, and for an excise, or for either?

Sir, we know, from actual experience, that they are both more expensive in collection, and that the direct tax being by numbers amongst the states, is unequal in its operation; we know that they are more inconvenient, and that the direct tax subjects us to the intrusive visit of the tax-gatherer, whilst the impost is included in the articles which we purchase, and that its payment is an act

of volition. In relation to excise, though England raised, according to Mr. Lowe, 27,000,000 sterling, equal to \$120,000,000, by excise, in 1823, though there are now twenty-five different articles subject to excise in that oppressed kingdom, yet, sir, we know that an attempt to impose an excise on tobacco, in the reign of George II. was considered by some of her best patriots, as dangerous to the Constitution; that its defeat was celebrated with rejoicings; that Walpole, the Minister who proposed it, was burned in effigy; and that he abandoned it, because he thought it could not be carried into execution without an armed force. True it is, sir, that the people of England are now obliged to bear it in multiplied forms; I thank God that it is not our condition, and I hope never will be. But gentlemen say that this bill will increase the wealth of the nation; I readily admit that it will increase the profits, and, consequently, the wealth of the capitalists, whose capital is invested in manufactures; I admit, also, that these establishments may afford some advantage, to a few hundreds, perhaps thousands of persons, who reside contiguously to them; but I utterly deny that it will increase the aggregate wealth of the nation. And here, Mr. Chairman, though I fear it may be somewhat unpalatable, I must beg leave to introduce some principles of political economy.

The sum of my doctrines, on this subject, is this: that the wealth of a nation is an aggregate of the wealth of the individuals who compose it; this is as plain a principle, as that the whole is made up of its parts. That there is an instinct implanted in man, the master-spring of his actions, which, through life, impels him to a perpetual endeavor to better his condition; that this principle, acting alike upon all, without concert, and without even looking to the public interest, every man in society is constantly endeavoring to increase his portion of wealth, and, consequently, every man is laboring to add to the stock of public wealth—an increase of a whole being the inevitable result of an increase of all its parts. From these principles, this corollary is deduced; that government should never interfere but in matters of state; that, in relation to the internal police of a country, it has done all that is required of it, all that it ought to do, when it has secured to its citizens their personal liberty and private property, and an impartial administration of justice; that, as to the appropriation of his skill, capital, and labor, he ought to be left as free as the air which he breathes, subject to no other limitation, than one which may be expressed in one maxim of

the civil law : " So use thy own, as not to injure another" Now, sir, no gentleman will contend, that the instinct which I have mentioned, does not prompt every man to desire to improve his condition ; upon this point I have the law of our nature on my side. Before then, it can be justified to invoke the aid of government upon this subject, it is incumbent on those who would do so, to prove that government knows better how to direct this desire, which all acknowledge to be universal, than the individual citizens themselves. This they cannot do ; but, on the contrary, I think it can be clearly shown, not only that government does not know better, but that it does not know so well ; nay, that, in the nature of things, it is, and must be, wholly incompetent to the task. As gentlemen will probably reject the authority of books, I will resort to other proof, to the experience of all who hear me, and particularly to our practical experience during this very discussion. Not having the property of the fabled ring of Midas, which converted every thing which it touched into gold, we cannot, by a legislative fiat, create capital ; the only possible remaining method, then, by which it can be contended, that the interference of government can add to the public wealth, is, by increasing the productiveness of capital, by directing it to a more profitable application. Now, sir, I would ask, can any member of this committee, can the whole committee united, give me an answer to the following questions ? What is the average rate of profit of the great departments of industry, agriculture, manufactures, commerce, and navigation ? What is the particular rate of profit in each ? What is the particular rate of profit in the different kinds of manufacture, such as iron, wool, cotton, &c. ? What is the cause of the difference, in the profit of different manufacturing establishments, engaged in manufacturing the same materials. Does that difference arise from the difference in capital, or in machinery, or in industry, or in skill, or in economy ? What is the rate of profit in England in the different kinds of manufactures, which come into competition with ours of the same kind ? Is it greater or less than ours ; and how much greater or less ? What is the precise amount of the advantage, or disadvantage, produced by the comparative manufacturing facilities in England and the United States ? Is it not manifest, that, before we are prepared to settle the various questions arising out of a Tariff, designed to encourage domestic industry, that we must be able to answer all these questions, and many more of a similar

character. And yet, sir, it must be apparent, that these things are not within the scope of human possibility. Now to exemplify: the manufacturers ask for protection; a given sum is proposed as a duty; the commercial interest, as well as the agricultural, allege that the profit of the manufacturer is already larger than theirs. Who amongst us can tell what is the profit of either? and, if we cannot, how do we know whether protection is needed? and, if it be, how much? Again: the wool-grower asks a protecting duty to his wool; the manufacturer exclaims that the rate proposed will prostrate his manufacture. What data have we, upon which to decide between them?

I could furnish a practical exemplification of our incompetency to this task, drawn from the impossibility of answering each of the questions which I have put. These will illustrate the truth for which I am contending, namely, that the proposed system, as it is without our sphere of action, so it is beyond our means of information. But whilst we are thus without the necessary information, as to all these complicated subjects, each individual in his own immediate and separate pursuit, has, or may have, all the information required, in relation to his business. To individuals, then, let us leave it, with the assurance, that, as they have the desire to give their capital and labor the most profitable direction, so they can much more surely find out that application than we can. If government interfere, it must be either by turning to manufactures capital not now so invested, or by aiding that which is now so employed. If the reasoning which I have just presented be correct, then as to the new capital, the interference is injurious, because the individual would have so appropriated it, if such appropriation had been the most beneficial. As to the capital already invested in manufactures, if it already produced to its owner an average profit, then nothing could be more unjust than to increase that profit at the expense of the community. If it did not produce the average profit, then it is clear, that the same capital would contribute more to the stock of public wealth, if it were applied in some other way. The interference of Government must then either be unjust or injurious. But it is said that the community will be compensated by any temporary loss arising from the aid to manufactures, by the ultimate reduction in price, produced by the domestic competition. And, in proof of this, we are triumphantly told of the reduction in the price of coarse cottons. In the first place I would re-

mark that, however the price may be reduced, this very bill proposes to increase the minimum upon coarse cottons; which would seem to shew that they yet wanted more protection. But let me ask, if the coarse cottons have fallen in the United States, have they not also fallen in England, and to a price lower than with us? The best proof which gentlemen could give us, would be, to repeal the minimum; a proposition which, I dare say, we shall not hear from them. I do not mean to contend, sir, that domestic competition will not ultimately reduce the price—but our misfortune is this, that the high profits at first resulting from increased duties, allure many persons to embark in the competition with insufficient or small capital, or carry too much capital into that pursuit, and when the reduction in price commences, before it has reached its minimum, and such an one as the foreign article might be bought for, the small capitalists are overpowered in the competition, by the large ones, and they again cry out to us, Help us or we sink. This is not fancy, sir, but fact. The Waltham factory asks for no aid; the memorial from Delaware does. It asks for protection to the woollen manufactures, that a part of the redundant capital invested in those of cotton, may flow over into those of wool. Thus, sir, we go on, in a continued circle. Large profits, it seems, allure too much capital to a given pursuit. As soon as by competition those profits begin to decline, and we hope to realize the promise of a minimum price, and thus receive the equivalent for our loss in the intermediate high prices, we are called on to save those who are likely to be crushed in the struggle; that is, we must sustain all our manufacturers against a foreign competition; and we must sustain the smaller capitalists against the domestic competitions.

But, it is said that this system will increase domestic industry. If I have succeeded in shewing that it will not increase the public wealth or capital of the nation, then, sir, it is utterly impossible that it can increase the national industry; it is the capital which calls that industry into action, which furnishes its inducement and its reward; and, to say that labor will be increased, whilst the capital of the country is not only not increased, but, as I think I have shown, is diminished, would be as great a solecism in political economy, as to say that population could be increased, whilst the food of the country was diminished; as the food supports population, so capital supports labor. It will certainly divert a portion of labor from one pursuit to another; it will certainly in

crease the profits of the manufacturing capitalist ; but it does not increase the whole stock of the wealth of the nation ; it gives only to all the laborers the usual rate of wages, about equal to their maintenance ; and that maintenance they might have acquired in some other labor, either for themselves or for others.

It is argued that it will furnish a better and a more steady market to the agriculturists. Let us examine this pretension. The agricultural produce consists either of food, or of the materials of manufacture ; as far as it consists of food, there is no increase of consumers ; for, as it has been well said in one of the memorials sent to this House, we now feed them all, and we can do no more. The argument, however, proceeds upon the assumption, that a portion of labor now engaged in agriculture, will be transferred to manufactures ; and thus, the quantity of agricultural produce being diminished, there will be a better price for the remainder. This is indeed a consoling promise ! With countless millions of fertile land yet uncleared, a part of that now in cultivation is to be deserted ; then it must remain in a state of waste and desolation, for, whence is to be derived the labor to cultivate it, in lieu of that which has gone to manufactures ? Can that system be a sound one, which proposes, not only to arrest our progress in clearing new lands, but even to diminish the area of our present cultivation ?

But, after all, what is to be the number of our new consumers ? We have no data, on which to estimate, with any thing like accuracy, the number of persons engaged in manufactures. I speak now of regular manufacturing establishments of articles for sale. The Committee of Commerce and Manufactures, in 1815, reported, that there were then 100,000 persons engaged in the cotton manufactory ; probably the whole number employed in the different manufactures, might now be estimated at 200,000 ; but these ought not to be included in our calculation, as they now consume our food, without the aid of this bill. Let us suppose that the encouragement afforded by this bill, should, in some two or three years, transfer 100,000 persons from agriculture to manufactures. Here we have this number of new consumers to feed. What perceptible advantage, let me ask, will this small number afford to the agriculturists ? Particularly, when the same cause that creates this new demand for food increases the price of every article which the agriculturist consumes ? Let me illustrate by an example. I will suppose that a bbl. of flour, which before bro't

\$5, shall then command 6 ; but the yard of cloth, which before brought five dollars, now costs six, and thus the account is balanced, even upon the favorable supposition, for the advocates of the bill, that this enhancement of price, in agricultural produce, will take place. But we have a much better prospect of new consumers, from our increase of population. Supposing it to have been, in 1820, 10,000,000—as it has been ascertained that we double in a period of about 23 years—it will be found that there must be an annual increase of upwards of 400,000 persons. But it is estimated that, in the healthiest countries, one in 50 will annually die. This, upon a capital of 10,000,000, will, annually, be 200,000. To make, then, an actual addition of 400,000, there must, of the children annually born, at least 600,000 survive. Counting, then, from 1820 to 1830, a period of ten years, there would be 6,000,000 of persons, as consumers, not one of whom would be producers, none having yet passed 10 years of age. It is true, that a number of those born in the preceding period, say from 1810, would be annually coming into the class of laborers, by reaching the age for labor. but, then, it must be remembered, that they were the progeny of the capital of population in 1810, which, for round numbers, I will call 7,000,000. And, besides those who are successively, by age, passing beyond the period of labor, one-half of the whole number are to be presumed to be females, who, for the most part, are engaged in household occupations, and not contributing to field labor. Taking, then, into estimate that the stock of those annually coming into the laboring class, was, originally, from a capital of 7,000,000, whilst the number of new consumers was from a capital of 10,000,000; that the new laborers are subject to the deductions which I have mentioned, and the new consumers have to be added to their number, the number necessary to supply the annual deficiency, by death, of 200,000, it will be seen that the number of consumers is constantly increasing in an immense proportion beyond the new producers; and hence gentlemen may perceive that where population is not checked, the natural course of things is perpetually furnishing a corrective to the complaint of surplus food without a market. Again, by way of quieting gentlemen's apprehensions upon that subject, let me tell them, that the whole of the flour exported, during the last year, would scarcely more than feed the whole population of the British Isles for one fortnight.

As far as the agricultural produce consists of materials of manufacture, as we now have a market for all, it would only be an exchange of the foreign for the domestic market. If, for example, we did not purchase the cotton manufactures of Britain, she would not need the material of which that part formerly purchased by us was made ; and so of other articles. The effect of gradually displacing foreign commodities, by the use of domestic, would be in proportion to the extent of that exclusion, to cut off the commerce between this and foreign countries : and, with the commerce, our navigation interest would go down, as the one furnishes the necessary measure of the other. These would be the necessary consequences of the favorite doctrine of gentlemen, that we ought to be independent of foreign nations. Now, all commerce implies reciprocal dependence ; that is, it implies that each country, carrying it on, has something that the other wants, and which they mutually receive as equivalents. If this be the kind of dependence objected to, then, the independence sought for, implies that there is to be no commerce. When there shall be no foreign commerce, we shall have scarcely any tonnage engaged in foreign trade, in time of peace, there being but little carrying trade, except when a general European war should give us that trade for the belligerents ; what, then, would become of our 800,000 tons of shipping, now engaged in the foreign commerce of the United States ?

But fearful apprehensions are entertained from our imports exceeding our exports. The amount of imports, for 1823, was \$77,579,267, and of our exports, 74,699,030. The excess of imports over exports being apparently near 3,000,000. But this is only in appearance ; for, both imports and exports are estimated at their value, at the place of exportation. Now, as we mainly transported all in our own ships, there is nothing to be added to our imports on account of freight ; but the value of freight, upon our exports, is to be added, because, having done nearly seven-eighths ourselves, the articles would be sold for as much more, in the foreign market, than they were worth at home, as the freight amounted to ; which would more than cover the apparent deficiency. Again, sir, even if the imports did exceed the exports, it does not at all necessarily follow, that we are carrying on an unprofitable commerce. If the imports are used as articles of consumption, then it would be injurious. But, if they are of a character to increase the productive powers of the country, in a subsequent year, then the trade is beneficial, and the ex-

cess only operates as a loan to that amount of foreign capital. A practical exemplification of this truth may be found in the history of the United States, previous to the Revolutionary war, when we were constantly in debt to Great Britain, and yet increasing in wealth with unexampled rapidity.

Mr. Chairman, in the discussion of this subject we are always told that, whatever theorists may say, experience proves that great poverty has been the fate of those nations which did not encourage manufactures; and great wealth the lot of those which did; and Spain and England have been uniformly presented as striking examples, the first of poverty, and the second of wealth, which is ascribed to their different policy in this respect. Let us first investigate the causes of the poverty of Spain. Unhappy country! What a contrast it presents to its former self! The time was, when it was the terror of all Europe; when it commanded the resources of Spain proper, the Netherlands, Sicily, Sardinia, Naples, and both the Indies; when, in the great struggle between the rival houses of Bourbon and Austria, the balance of power in Europe was endangered; when Queen Elizabeth and the whole English nation trembled at the approach of her invincible Armada. Now what is her condition! Prostrate, debased, a vassal province to France. Now, indeed, is verified the famous saying of Lewis XIV. There are no longer any Pyrenees. And, even in the 19th century, the benighted mind of a part of its population makes them cling to the Inquisition: but his Holiness the Pope refuses to comply with their request to re-establish it. Let me assign some of the most prominent causes of this fallen condition. It is owing, in part, to the bigotry of the government, to the superstition of her people—to the Catholic religion. Look over the map of Europe; you will find the Catholics much more numerous than the Protestants. And yet how infinite the difference in national industry in favor of the Protestants! What comparison is there between the products of labor of the Flemings, the French, and northern Italians, on the one side, and the Silesians, the Saxons, the Prussians, and Englishmen on the other? In Ireland, we are told, the linen, the only great manufacture, is in the hands of the Protestants. Sir, it is said, the endless holidays in the Catholic religion seriously interfere with labor. The gold and silver of Mexico and South America have been to them a misfortune. While it stimulated the industry of the rest of Europe, it furnished the means to the kings of Spain of carrying on wars of mad

ambition, it dazzled the nation with the glare of boundless wealth, and destroyed the elastic spring of industry. Every galleon which crossed the ocean carried with it apparent wealth, but the cause of ultimate poverty. Spain, in her folly, banished from the kingdom the Jews who conducted her commerce; and, in the early part of the 17th century, a million of Moors, the most industrious of her people in agriculture and manufactures. These exiles carried with them their wealth, their skill, and industry. Examine, sir, the structure of her government, and her internal regulations. Her king, her nobles, her clergy, under papal bondage; the people without education; the two orders of nobility and clergy, with one third of the land of the kingdom, locked up in perpetual inalienability. Some idea of the operation of this latter cause may be formed from the experience of the French revolution. There, too, a third of the land of the kingdom was in the hands of the privileged orders, and inalienable. The French revolution, though it produced some tremendous shocks, has left some valuable monuments to its memory. The national domain was confiscated and sold, and millions of people, in consequence, became the owners of the soil. Who can doubt that but for this, upon the restoration of the Bourbon dynasty, all the former abuses, and the whole ancient regime, would have been restored with them. To return to Spain. The taxes of the kingdom, the most oppressive in their manner of being laid and collected, and almost the whole borne by the people; whilst the privileged orders were exempt, or nearly so! Take a particular tax upon the sale of commodities repeated at every new sale, insomuch that an article, in its various transfers, has been taxed ten, or twelve different times. Consider the monstrous and absurd practice grown into a prescriptive right in favor of the privileged orders, called the Mesta, by which they are at liberty, at will, to have thousands and myriads of sheep driven through the different provinces for the benefit of pasturage; the most defective administration of justice, perhaps, in the civilized world, which we know sooner than any other cause, to destroy all credit in the transactions of men. Its agriculture, sir, is at as low an ebb as its manufactures, & it is ascribable to the same causes. These, sir, are the outlines of the picture of Spain. The effect of all these causes is, in a great degree, to destroy that master spring of human exertion—the certainty that we shall reap the profits of our labor. No man can feel this certainty, who does not enjoy security of person and property. The Spanish people are under the yoke of a political, a legal,

and a papal bondage. Look at England herself, whilst she wore the chains of feudal vassalage, and you will find, that the active spirit of industry, which now achieves so much, then almost lay dormant. Agriculture, manufactures, and every kind of industry, moved with a sluggish pace. A new era commenced, and all the natural consequences followed.

And this, sir, brings me to examine the examples which England offers to our contemplation. The first view which I shall present on this subject, has reference to the statistics of the two countries. The population of Great Britain and Ireland, according to Lowe, for 1823, was 21,500,000. But, as the statement, in relation to Ireland, was conjectural, and that of Great Britain official, I will take that as the subject of comparison; Great Britain, then, in 1823, had a population of 14,500,000, and 165 to the square mile; dividing the population by the number to the square mile, we find the number of square miles to be less than 90,000; the population of the United States for round numbers, I will state at 10,000,000. If we take the whole territory of the United States, including the boundless region beyond the Mississippi, it is estimated by Seybert at 2,000,000 square miles, and the population would be a fraction less than 4 to the square mile. Can it, Mr. Chairman, be correct for us, with a territory so *large*, and a population so *thin*, to follow the example of Great Britain, with a territory so *small* and a population so *dense*. I had thought that examples were to be followed, when circumstances were alike; but here, so far from likeness, the example offered for our imitation presents nothing but striking contrast. For a moment, sir, allow me to reverse the picture, to take the converse of the proposition; suppose that it was formally proposed in the British Parliament, that Great Britain should, by legislative interference, attempt to turn her capital and labor from manufactures to agriculture, and the argument offered should be, that America had prospered by agriculture, what would be thought of such a proposition? The answer would be, that our population, compared to territory, points to manufactures; so here, I say, that our population, compared to territory, points to agriculture; when a population equal to that of Great Britain, shall be found in New York and Pennsylvania, which, together, contain a greater territory, manufactures will spring up in the natural course of things.

Before I proceed to examine the various causes which have contributed to the wealth of Great Britain, I beg

leave to correct gentlemen as to the fact of manufactures there being more productive than agriculture. Mr. Lowe, in his work, gives us Colquhoun's estimate of the property created in Great Britain and Ireland in 1812, which, upon the whole, he considers as about a fair estimate for 1823. The aggregate of that estimate is 430,000,000*l.* sterling; of this, agriculture, in all its branches, including pasture, is put down at 217,000,000*l.*; manufactures, in every branch, at 114,000,000*l.*; thus, it appears that, including pasture, agriculture produces more than manufactures, and every means of creating property put together; but excluding pasture, estimated at from 80,000,000*l.* to 100,000,000*l.* and taking the largest sum, still agriculture produces a few millions of pounds sterling more than manufactures in every branch. The same book gives us a table of the proportions of population engaged in different pursuits; from this it appears, taking the year 1821, that the families chiefly engaged in agriculture were 978,656; those in manufactures, trade, and mechanical employment, 1,350,259; the average estimate of a family being five persons to each. Thus it appears, if you take the whole product of agriculture, it exceeds the aggregate of all other products, by some millions, though the persons engaged in it are not so numerous, by more than a million and an half of people; I do not mean to say laborers, because the estimate being by families, includes all ages and sexes. If you exclude pasturage from the agricultural produce, still it exceeds the whole product of manufactures; the table does not furnish us with the number engaged in manufactures alone, but, if we allow one million eight hundred and fifty seven thousand for trade and the mechanical arts, which seems to be a liberal one, there will remain as many in manufactures as in agriculture. With all the boast, then, of English writers, of the productiveness of manufactures, here are facts stated by themselves, which bear illustrious evidence in favor of agriculture. I come now, sir, to the causes which have enabled Great Britain to take the lead, in the career of European competition for wealth. They are political, religious, and physical. Certain great events in Europe, over which she had no control, turned greatly to her advantage; the revocation of the edict of Nantes by Lewis the 14th, produced by his blind intolerance, drove hundreds of thousands of his protestant subjects out of his kingdom; the tyranny and oppression of Philip the 2nd of Spain, forced multitudes of his subjects in the Netherlands to quit their native land; the exiles from both

these countries took refuge in Holland, the north of Germany, and England—but much the largest number in England; they carried thither with them, besides themselves, much active industry, much skill in the most valuable manufactures, and much capital; these seeds were sown in the most favorable soil in Europe to their growth, and they accordingly soon sprung up in some luxuriance. Permit me to pause here a moment, and contrast England with Spain in this regard; England gained people, manufacturing skill, and capital, by the folly and wickedness of the rulers of foreign nations; Spain, on the contrary, having all these advantages in her own bosom, lost them by her own folly and wickedness, by the expulsion of the Moors.

Let us now survey the English constitution and government. She at an early period established the reformed religion, the advantages of which I have already mentioned: she was the only country in Europe which had a representative body, thereby elevating the people to a share in political liberty. She led the way in the abolition of the feudal system; one of the most rapacious and unprincipled kings that she ever had, even contributed to this, by an act of cunning, or left-handed wisdom, as my lord Bacon would call it. I allude to Henry VII, who, by opening the way to the alienation of lands, designed to break down his nobles, without seeing the great consequences which were to follow. Upon the abolition of the feudal system, the third estate of the realm began to acquire property; this stimulated industry of every kind; a spring was given to commerce, which, as early as the days of Elizabeth, we are told by Lord Bolingbroke, carried the English over all the known, and even into the till then unknown, parts of the world, to the Dwina, the Volga, across the Caspian Sea, into Persia, to the coasts of Africa, to the East Indies, first by the track of the Venitians, and then by the Cape of Good Hope; though the same author tells us, that, in the reign of her father Henry 8th, the English were obliged to hire, or borrow ships of Hamburg, Lubec, Dantzick, and other places. I come now to the physical causes, which have given new vigor to her flight, new pinions to her wings. The whole kingdom of Great Britain is an island, and her internal navigation superior to that of any country of equal extent on the globe. Her insular position teems with advantages. Whilst the nations on the continent of Europe, for purposes of safety, were obliged to keep up standing armies, and barriers of fortified towns, which have been

happily said to be like armor too heavy to be borne, which wastes the strength of those who bear them, England was protected by a continued maritime frontier, which cost her nothing to defend it, but a navy. Thus, by a rare fortune, her position invited and impelled her by an irresistible destiny to the pursuits of commerce; and whilst in quest of commercial gain, formed by means of her mercantile marine, a perfect nursery of seamen, to man that very navy, which served her in lieu of a fortified barrier, not only with less expense, but with much less danger to the constitution, than the armies and barriers of the continent. The people of England, then, being emancipated from feudal bondage, participating by their Representatives in the constitution and government, secure in their persons and property, having their minds freed from the fetters of popish superstition, a new, and, compared with the rest of Europe, an unexampled degree of elasticity was communicated to the spring of their industry and enterprise. Operated upon by these impelling moral and political causes, and aided by the gift of Nature with all the local and physical advantages which I have described, it is not surprising that they should, as they did, engage in the most extensive foreign commerce, and acquire the largest mercantile marine in the world. They carried their colonies to the four quarters of the globe—to Europe, Asia, Africa, and America—some for defence, some for commercial gain. The productions of many of these colonies, offering new equivalents for the productions of labor at home, created new stimulants; these new products, both of the parent state and colonies, enriched her, not only by themselves, but by the transportation of them respectively. Thus, sir, it was the rich and extensive foreign commerce of England, produced by the causes which I have mentioned, which contributed essentially to the increase of her wealth. If, Mr. Chairman, we look into the page of history, we shall find that foreign commerce has been a fruitful source of wealth, in ancient, as well as modern times. Look at Sidon and Tyre; at Venice, Genoa, and Pisa; at Lubec, Hamburg, and the other Hanse towns. See to what a pitch of opulence these towns were each carried by its aid. Look, sir, at the Northern States of this Union. It operates as a cause of wealth, by giving increased productiveness to the agricultural and other labor of the country which possesses it, by means of the boundless market which it opens for its surplus produce. Where its own country, either from the poverty or smallness of its territory, has

no such surplus produce, it is actively engaged in effecting an exchange of the produce of foreign countries, and thus reciprocally imparting value to that which each wanted, and which each had to spare. When, by these means, capital is accumulated, and the population full, then come manufactures; which, as they cannot exist without capital, necessarily presuppose its previous accumulation. But if, in the tide of time, and the vicissitudes of human affairs, any circumstances turn this commerce into a new channel, the capital which flowed from it, takes the same direction, and the manufactures, which depended for their existence on that capital, follow in its train, and associate themselves anew with it, in its new habitation. Accordingly, Mr. Chairman, in the Italian cities, and Hanse towns, whilst the capital from foreign commerce remained with them, so did manufactures; but since its departure, nothing is left of them but the sad memento and melancholy remembrance of their former opulence and grandeur! This is the inevitable course of things, and you might as well attempt to arrest the progress of the earth, by the stamp of the foot, as to attempt to alter it. Nothing, then, remains, after these sojourners have taken their flight, but the solid agricultural wealth of the country which possesses it. In this respect, sir, the United States enjoy a felicitous position in the scale of nations; possessed of a territory vast in extent and of great fertility, we have the deep foundations of our wealth laid upon the fixed and permanent basis of agricultural labor; possessed of an extensive foreign commerce, which lays open the world to us, as a market for the surplus produce of that labor, and stimulates its productions by the value of all the diversified commodities, whether of comfort or of luxury, which it offers us in exchange; our lot is cast in pleasant places; and, if we wait with patience, and enjoy the blessings which we have, time and circumstances will raise up manufactures amongst us, when the condition of the country shall require it.

And let it not be supposed, sir, that, without great extension of manufactures, we shall be without wealth. Compare Great Britain and the United States in the rapidity of their progress in prosperity; in this comparison, the question is, which of the two countries has improved most rapidly, in proportion to its capital? for, as in each the whole annual produce (amounting, in G. Britain and Ireland, to £350,000,000 sterling,) is used either as revenue for actual consumption, or for the purpose of increasing the productive industry of the coun-

try in subsequent years, the increase of wealth is to be measured by the proportion which that improvement bears to the capital of the country. Has Great Britain made as great relative progress as the United States? The question is answered, conclusively, in our favor, by looking at the unexampled increase of our population, by their comforts and independence, by the continued extension of our settlements, the clearing of new lands, the consequent enlargement of the area of cultivation, and, in fine, by every circumstance which marks the rapid growth of a country. Go back forty years, and take the ground which each then occupied. No man will say, that we have not moved further from our then position, than she has from hers.

I do not mean to say, sir, that manufactures do not contribute to the wealth of a country, that they do not contribute to the wealth of England. My proposition is, that, though they are the cause, they were first themselves an effect. English capital was first accumulated; that gave rise to manufactures; and they, in their turn, now add to the public wealth. But, to say that they were the primary cause of that wealth, would be as improper as if a Boston merchant, who had accumulated a million of dollars by commerce, and then invested it in manufactures, from which he received a profit, were to say that manufactures were the cause of his wealth. But, in whatever way, or to whatever extent, manufactures may have contributed to the wealth of England, it is not by protecting duties, as has been contended, that they have been sustained in her competition with Europe. No, sir, the causes of her manufacturing prosperity have a much deeper source than these. They are found, besides the political circumstances before stated, in her inexhaustible fund of coal, and other *natural* advantages, and the no less important *acquired* advantages of capital and machinery. The British writers themselves ascribe their success to these causes; and the Ministerial expose of the British resources, published in 1823, distinctly ascribes it to their immense superiority in capital and machinery, which so multiplies human industry, says the same pamphlet, as to render the cost of labor, as compared with the produce, almost wholly insignificant.

I refer to the same pamphlet, sir, for certain facts which conclusively prove to me the inefficiency of protecting duties. In 1823, the exports of linen from Great Britain were only about £2,300,000; of woollen, about £6,000,000, and of cotton, £20,000. Now, sir, upon

the coarse linens, there is an actual bounty upon exportation. As to woollen, it has received a large share of the paternal care of the British Parliament, from the reign of the 1st Edward to the present time—a period of upwards of 500 years. It has been a perfect legislative bantling in point of protecting duties; yet cotton, the export of which, in the year 1780, did not much exceed 2,000,000*l.* has now grown to half the amount of the whole exports of the kingdom. The reason is, that, from the texture of cotton, it is emphatically fitted for machinery, and hence, the astonishing increase in its manufacture.

Let us now, sir, examine the manner in which wealth, acquired by manufactures, is distributed. Some years ago, the persons engaged in manufacturing cotton in England, were estimated at 800,000. They may fairly now, from the extension, be set down, at least, at 1,000,000. It would be a large calculation to suppose, that 50,000 of that number were interested in the capital; but let the profits be ever so great, every one knows that the laborers receive only wages, and that, too, scarcely enough for a comfortable maintenance.—Of consequence, the whole profit passes into the hands of the capitalists. Here, then, of 1,000,000 of persons, 50,000 receive the profits, whatever they are, and 950,000 receive nothing beyond mere maintenance.—Now, Mr. Chairman, is it the policy of this country to concentrate wealth in the hands of a few, or to give it the utmost possible diffusion amongst our people? We have been told that we ought to have an American policy.—So say I, sir. This system suits well the meridian of G. Britain. It does not suit ours. The immense burdens of that kingdom, the large loans which are sometimes necessary to be effected, make it convenient to the British government to have its wealth in the hands of a few large capitalists. They are convenient subscribers to a large loan for the service of government, or for a subsidy. With us, the principles of our government, the whole frame of our polity, require us not to make large masses of wealth, but rather to break them into smaller pieces.—Great inequality in wealth would tend to warp our institutions from their natural course. Sir, the structure of society in Great Britain may be aptly illustrated by one of the stately columns which support the dome of this magnificent hall: Its base is of freestone; its shaft, of domestic marble; its capital, of fine Italian. The emblem of ours is, or ought to be, a column, whose base, shaft, and capital, are of the same material. I repeat,

sir, that a system, tending to produce great inequality, may suit Great Britain; it does not suit us. And, after all, Mr. Chairman, is wealth, though desirable, the only great desideratum in government, especially in ours. Carthage, sir, the richest city in the world, in her day, was, at the same time, the weakest; and, in the last great struggle for her political existence, she relied, for her defence, upon an army of mercenary soldiers, and was utterly defeated and overthrown by her poorer neighbors, the Romans—thus executing their famous denunciation, *Delenda est Carthago*. Sir, there are great moral and political objections to the premature encouragement of manufactures.

I shall not attempt, sir, to take the lecturer's chair, and read a moral homily to the committee; I shall not stop to speak of the effects of large manufacturing establishments, upon the health, the manners, or the morals of the laborers; let it be, if gentlemen will have it, that continued toil, through the day, and part of the night, the continual smoke, oil, and lamps, of these places, do not affect the health; let it be, that the early withdrawal of children from parents, and the indiscriminate crowding together of sexes and ages, do not affect the morals; let all this be, and yet there is an objection in a political light, which makes me adverse to this policy. In England, sir, if wealth can be accumulated, if the government can squeeze taxes enough from the people, to save it from sinking under its mountain load of debt, if the privileged orders and capitalists can be kept up, it matters not, that hundreds of thousands, that millions of the people, are doomed to exist, not live; to be considered as the machines which belong to the establishment; with no other difference than this, that, whilst other machines are impelled by water, or fire, they are put into motion, by that principle of animation which nature implanted in them. In this country, sir, we do not want animated machines, we do not want plebs, or populace; we want men, we want people; we want citizens who obey the laws, not task-masters; who do not receive their daily bread from the hand of another, but from their own voluntary labor upon their own soil; who have some stake in the government, who feel and take an interest in public affairs, and are ready and willing to defend themselves as men and citizens in their rights of property, and civil and political liberty. What comparison, sir, is there, between a million of Englishmen engaged in cotton factories as day laborers, and a million of American citizens cultivating their own soil. Look,

sir, at the riots in England in 1808, and 1812, when whole manufacturing districts were roused into acts of violence from the low price of labor, and the high prices of provisions. A sudden check to demand for manufactures, or a temporary scarcity of grain, makes wages an insufficient resource for comfortable maintenance. Remove them, and they settle down quietly to their tasks. Reflect for a moment sir, on the scene in 1815, when the corn maximum was under consideration, when my Lord Castlereagh, late Lord Londonderry, caused the parliament house to be surrounded by armed soldiers, to keep off, what he was pleased to call a mob; that is the people, who feared, by the high price of grain, they would starve for bread. In this country, sir, where agriculture predominates, no such difficulties occur; our own people eat their own bread, and have some to spare to the British manufacturer. And let us not be uneasy sir, that we have too much bread-stuff; we can always dispose of it, at some price; and if it be now low, it is owing to the state of the world; so are manufactures in England low; indeed it seems they are too low: for our manufacturers tell us, they are so much so, that they shall be ruined, if brought into competition with theirs. Let me add, sir, for the comfort of our agriculturists, that some surplus of grain on hand, is a national blessing; they serve the purpose which public granaries did in ancient times, to supply deficient years; the very year, sir, after the English farmers called for a maximum on corn, from their supposed abundance, the year 1816, such was the scarcity that it rose to 6*l.* sterling the quarter of eight bushels; even in this land of plenty, Indian corn sold at \$10 per barrel, and flour at near \$15. A continual surplus, then, I repeat, is a public blessing.

But it is said, that the late war, and the double duties, gave an encouragement, which caused infant manufactures to spring up, and that they ought to be sustained by government, till they become strong enough to withstand foreign competition. No doubt, sir, that, since the peace, the manufacturers have suffered great reduction in their prices; but in this they participate in common with every class of their fellow citizens, nay, sir, with every part of Europe. Mr. Lowe estimates the fall in agricultural produce at 60 per cent., and in that of manufactures at from 40 to 50 per cent. The same cause operated in Europe and America; from 1792, till 1814, except the feverish truce which followed the peace of Amiens, all civilized Europe almost was in arms; half a million of men, on the side of France, about the same

number on the side of the allies; this created an immense demand for ordnance, munitions of war, clothing, subsistence; this demand gave new stimulus to their production, and enhanced the prices to an enormous extent; upon the peace of 1814, this demand was greatly diminished, and consequently the prices of every article fell to a peace rate. The languor which followed, corresponded to the preceding excitement. Let me present to the committee, the description which Mr. Lowe gives of the prominent characteristic of the national embarrassment of England since the peace of 1814. I use his own words: "A deficiency of employment, among part of the lower orders, and distress, from insufficiency of wages, at those intervals, when provisions were high priced. In the middle classes, whether merchants, manufacturers, or agriculturists, the general ground of complaint has been an inadequacy of profit, a disproportion of prices to the cost of production. The principal cause of these and other difficulties, was, doubtless, as explained in the preceding chapter, the magnitude of the transition, the suspension of government expenditure, and the consequent overstock of hands." He then considers the evil as aggravated by the public burdens, and the expense of living, being higher than among their neighbors.

Towards the close of the European war, we were drawn into its devouring vortex with one of the belligerents; the same extravagant enhancement of price occurred here, for every article required for the public service, or individual consumption; upon the return of peace, here, as in Europe, every thing returned to its natural peace price. The same state of things, however, pervaded the whole society; the ship owner, the merchant, the farmer, all shared the same fate. I regret that war prices allured too many persons to embark in manufacturing projects; even in Massachusetts alone, I learn, that 85 manufacturing companies were incorporated in four years. But, Mr. Chairman, I will shew that the manufacturers have no cause of complaint against the Government; on the contrary, that the Government has acted with great liberality to them; until the year 1812, there was no duty, except on carriages and their parts, higher than $12\frac{1}{2}$ per cent.; by the act of 1812, the permanent duties were doubled, thus raising them from $12\frac{1}{2}$ to 25 per cent.; there was a duty of $2\frac{1}{2}$ per cent, called the Mediterranean fund, laid in 1804, and continued by successive acts to 1815, when it expired, but it was no part of the permanent duty; the act of 1812, which dou-

bled the duties, declared, that it should continue in force for one year after the peace, and no longer; here then was fair warning, to all who engaged in manufactures; they were purchasers with notice. In 1816, however, the manufacturers represented, that the transition from war to peace, made it necessary to give them a temporary continuance of protection; accordingly, by the act of that year, we continued the 25 per cent., the war duties, on cotton and woollen for three years, and then declared it should be reduced to 20 per cent.; before the lapse of those three years, we again continued the 25 per cent. on cottons & woollens to 1826, and now we are asked for further protection. This state of facts, & history of legislation, will certainly acquit us of any charge of want of liberality as to the great articles of cotton & woollen. Let us now take the case of iron. In 1816, that article was subjected to a duty of \$9 per ton; it was raised, in 1818, to \$15. I find by the document from the Treasury, by dividing the whole value of iron imported by the number of tons, the price per ton is \$55 and a fraction. Now, it will be found that \$15 per ton is more than 25 per cent. ad valorem. This was the war duty, excluding the Mediterranean duty of $2\frac{1}{2}$ per cent. But, if we take the price of iron in the interior of Sweden, where it is made, it is not more than \$40 or \$45 per ton; here it sells at least for \$20; and as the manufacturer here gets the whole benefit of the difference between the price to the manufacturer in Sweden and the market price here, his advantage is equal to between 90 and 100 per cent. The case of hemp is as favorable to our growers; but I forbear to go further into particular articles. It may be said, in general, that the present duties equal the war duties. Let us now, sir, institute a comparison between the relative advantages of Great Britain and the United States, in manufacturing. The first thing is fuel, of which they boast triumphantly; in that article we are equal to any nation on the earth: our forests groaning with wood, and the bowels of the earth teeming with coal. The next is the raw material. As to cotton, of which half their exports is composed, as appears from their ministerial pamphlet, we raise it, they do not; here, therefore, we have the advantage. As to provisions, we have an immense advantage. As to the relative taxes of the two countries, it is known that theirs greatly exceed ours, and here, also, we have the advantage. As to wages of labor, it is said that ours greatly exceed theirs; but, in the first place, I would remark that, if it be true, as has been said, that machinery multiplies the physical force of a country

twelve times, then it follows that eleven-twelfths of this disadvantage are obviated. But another strong argument arises from the nature of wages; every pursuit to be continued must yield about the average rate of profit in the country after paying all expenses; now wages are a part of those expenses; when, therefore, it is said that manufactures cannot pay the rate of wages that other pursuits do, it shews that those others are more beneficial; besides, high wages, if the business yet goes on, is the best sign of the prosperity of the country; they are paid to the laboring class of the community, who are always a majority; it shews therefore, that that class is in a comfortable condition; the last point of comparison is capital; now I know the positive amount of British capital greatly exceeds ours, but its relative amount, does not much exceed ours: by relative amount, I mean the proportion which the capital bears to the transactions to be negotiated by it; thus, one man may have a capital of a million, and another only of ten thousand dollars, the one being a wholesale merchant and importer, and the other a small country dealer, the latter may have as much relative capital as the former.

Some idea may be formed of the amount of capital required to negotiate the transactions in Great Britain and Ireland, by the following table given by Lowe, of their national expenditure, or consumption for 1823,

	£ sterling.
Expended on the produce of the soil for the food of man, or for purposes of manufacture - - -	120,000,000
On the produce of the mines - - -	10,000,000
On manufactures for home consumption - - -	70,000,000
On houses built or repaired, on furniture, and on improvement of land, or whatever is termed in law real property - - -	30,000,000
On all goods imported, whether for consumption, such as tea, sugar, coffee, or for manufacture, as wool, hemp, iron - - -	70,000,000
On all commodities or products not comprised in the preceding - - -	50,000,000
	<hr/>
	£ 350,000,000

The best way to ascertain the relative amount, is the interest of money; that is, the price paid for the use of

money; and the price of that, like every other commodity, depends on the proportion between the effective demand and supply. Government in England can command money at four per cent. we at five; this then shews the difference in the relative demand. I have not mentioned machinery, because he who has capital can command it. These are the comparative advantages and disadvantages of the two countries, in manufacturing facilities; but our manufacturer of cotton and wool, for example, besides the minimum on coarse cottons, has twenty-five per cent. duty estimated upon the original cost, with the addition of ten per cent. to that cost, thus making the duty twenty-seven and a half per cent. then the amount of freight. Mr. Hamilton, thirty years ago, estimated it at from fifteen to thirty per cent.; as, however, freight has fallen, I will state it at ten per cent., although upon articles whose bulk is large compared with their value, it may more than double it; then there are incidental charges of commission, insurance, &c. making the aggregate of advantage to our manufactures, from 40 to 45 per cent.; if, with these extra advantages, added to our natural ones, he cannot sustain the competition, I must tell him, that I cannot go further, I cannot agree to give more for a yard of cloth than 45 per cent. advance beyond what the foreigner makes it for. Upon what ground does he ask it? Has he skill, capital, and machinery, he does not need it. Has he capital? he does not need it, for capital will command the others; if he have not capital, we cannot advance it to him.

Sir, it has been often urged, that all the other branches of industry in the country have been protected; that commerce, navigation, and agriculture, have all received aid from government, and that justice therefore requires that manufactures should also receive their proportionate share. Let us for a moment investigate this subject; I think, sir, it will result in the proof, that manufactures have received more aid from that source than the three other great interests united. I have made an estimate upon this subject, the principles of which, I will first explain before I present it. The whole nett revenue for the year 1822, was \$20,500,000; of this sum, the duties on wines, molasses, teas, and coffee, and certain miscellaneous articles, not coming into competition with any interest, and not benefiting any, I have deducted, leaving a balance of \$15,900,946; I have then taken what seemed to benefit agriculture, viz: duties on spirits, on sugar, deducting drawback; on miscellaneous articles; to this I have added half the amount of discriminating duty on all our tonnage

engaged in foreign vessels, and half the estimated profit of all our coasting trade, estimating it at six per cent. upon the whole cost of the tonnage; I have added the extra duty on merchandise in foreign vessels, and the fishing bounties, and the aggregate being \$6,166,604, being deducted from the amount of revenue, of 15,900,946, leaves \$9,734,342 of duties, operating in aid of our manufactures. Gentlemen themselves have said it is no matter for what purpose the duties were laid; the question is, what is their practical effect? I have not included in this estimate the duty on cotton, because it sustains the competition in the foreign market, and, therefore, derives no aid from duty. But the committee will perceive that the amount of duties favorable to manufactures, upon this estimate, exceeds the aggregate of those favorable to all the other interests, by \$3,567,698, a sum more than three fourths of what would be the whole amount of duty upon all the cotton exported from the United States, supposing it to be 500,000 bales, and supposing that an equal amount, but for the duty, would be imported, a supposition utterly out of the question. The much talked of benefit to the tobacco planter by the duty on snuff and tobacco, rests on the same ground with cotton; it sustains the foreign competition; but let us suppose that some worthy of notice might be imported, then the excess which I have before stated, will fully meet every possible calculation as to cotton, tobacco, and snuff, and thus the manufacturing interest receives as much protection as all the others. I have formed the estimate as to our tonnage duty and coasting trade, upon the possibility, that, without the aid which they received, foreigners might have come in for one half; it will at once occur to the committee, that is much too large a supposition; in our own trade, and particularly our coasting trade, the advantages which our citizens would have, together with that hardy spirit of enterprize which braves every danger, traverses every sea, and encounters every difficulty, would have enabled them always to have monopolized three fourths of this advantage without the aid of Government.

Sir, there is one fact on this subject, which is decisive of our superiority in the competition. The discriminating duty in favor of American vessels is now abolished by treaties with England and France, and other foreign nations with which we have most commerce, and yet the document from the Treasury shews us that of 894,739 tons of tonnage which entered our ports during the last year, 775,271 were American, and 119,468 only were

foreign. I have not included the duty on molasses in this estimate, amounting to \$617,868, amongst the items favorable to agriculture, because I believe that our domestic molasses is almost all consumed as an article of food, and that it is, in a very small degree, if any, the subject of sale. I have, however, included in my estimate, two items which since the late arrangements with foreign nations, ought not to be included; I mean the sum of \$523,663, the supposed advantage to our tonnage, by the former discriminating duty, now abolished with all nations with which we have a commerce in any degree considerable, and also the amount of extra duty on foreign merchandise. With these remarks I submit the statement.

Total nett revenue of 1822 - - \$20,500,000

Deduct duties on articles
not aiding manufactures,
or other interest, viz:

Wines	-	-	\$747,996	
Molasses	-	-	617,868	
Teas	-	-	1,676,250	
Coffee	-	-	714,150	
Miscellaneous articles	-	-	842,790	
				\$4,599,054
				<u>\$15,900,946</u>

Duties favoring agriculture,
navigation, &c.

One-half of 744,764 tons, in
foreign trade, the discrimi-
nating duty - - \$523,663

Benefit of coasting trade,
one-half at 6 per cent. on
cost - - - 875,670

Extra duty on merchandise
in foreign vessels - - 33,690

Fishing bounties - - 161,400

On spirits - - 2,040,413

Sugar, deducting drawback 1,931,768

Miscellaneous articles - 600,000

\$6,166,604

Balance favorable to manufactures - \$9,734,342

Sir, I should have been glad to have made a comparison between the relative profits of manufactures and other pursuits, if I could have commanded the data. One of my objections to this bill, however, has been already

stated to be, that we cannot procure the necessary information on this subject to arrive at any precise result ; yet, there are some facts, which I beg leave to state, as showing the probable profits of manufactures in general, and the certain prosperity of some. The annual Treasury Report shows, that, in 1823, we *imported*, of foreign articles, \$5,755,109 less than in 1822 ; and that, in the same year, we *exported*, of foreign articles, \$5,244,267 more than in the preceding year. Adding together these sums, it appears that there was a diminution of consumption, of foreign articles, in 1823, compared with the preceding year, of about \$11,000,000. Now, sir, this additional sum must have been supplied from our own manufactures, more in 1823 than in 1822, unless we could suppose, what is altogether improbable, that, as our population increased, our consumption decreased. Supposing the consumption only to have remained the same, the same conclusion results from this fact. Again: previously to the year 1820, there was actually invested, as appears from the commercial digest, in manufacturing stock, a capital of upwards of \$46,000,000 ; that, since 1820, companies have been incorporated in four of the Northern states only, with an aggregate capital of about \$15,000,000, about one-third of all the previous investments. Unless, sir, we suppose the capitalists totally to have lost sight of that sagacity for which they are distinguished, which enables them to see what investment of capital is profitable, this fact affords strong presumptive proof of the increasing prosperity of manufactures. Sir, I am informed, from good authority, that an iron factory, in the state of New York, has, for a series of years past, netted 20 per cent., though it transports its ore 12 miles, is 18 miles from water carriage, and 145 miles from the city of New York. As to this item, let me say, that the ministerial pamphlet, before quoted, states the decrease in price of iron in England to be undoubtedly great, and assigns this strong reason, that the sword is succeeded by the ploughshare. I have further been informed, sir, that there are two manufacturing establishments in Massachusetts, which make a profit of 25 per cent. ; that certain capital invested in manufactures is at from 40 to 60 per cent. beyond par ; and that, within the last ninety days, mercantile capital has been invested in manufacturing stock at 40 per cent. beyond par. Sir, what is there to compare with this in any other department of national industry ? If it be said that these are a few well established manufactories with large capital, what is the import of that argument if it be not this :

not that foreign competition is the most serious evil, but that our smaller capitalists call on us to sustain them against the larger ones—against the domestic competition. The irresistible conclusion which follows, is, that the fault is not in the pursuit, but in the pursuer; that there is a want of capital, or skill, or machinery, or economy, or of something, which it is his duty, not ours, to supply.

Mr. Chairman: When we argue upon the impropriety of commencing a system upon the authority of the British example, at a period when her ministers and statesmen have become convinced by experience of its impolicy, we are met with the declaration that whilst this is their theory, they do not carry it into practice. Let us first see the principle now openly avowed to the world by the British ministry, in the pamphlet already quoted. I give it to you in their own words: “Again and again let it be repeated, that they (the ministers) are thoroughly impressed with the truth of the principle, that freedom of trade is alike advantageous to the best interests of the country, and to the solid profit of the merchants, manufacturers, and growers.” And, sir, let me inquire, are gentlemen correct when they assume the fact that this theory has not been carried into practice? I answer, No, sir. Within a few years, Great Britain, after successively relaxing the rigor of her double colonial monopoly in her West India Islands, has extended the system of free-ports to almost all those Islands; and the United States are now enabled to import that colonial produce in their own ships, instead of receiving it imported in British ships only. She has admitted us to a direct trade in her ports in the East Indies, so as to excite the clamor of her merchants, that we should rob them of their India as well as China trade; she has, by treaty stipulation, abolished all discrimination between American and British imposts and tonnage; and, finally, she has knocked off as many shackles from the monopoly of the East India Company, as, under the circumstances, ministers felt that they could venture upon. The ministers admit that, if the ground were clear before them, a free would be preferable to a restricted market; but they say, that, whether it be called a system of error or abuse, it has grown up under less enlightened times. On account of the capitals that have become fixed, and the interests that are embarked, the question is not what is absolutely best, but what is so, under existing circumstances. Thus, sir, we find, that this theory has, in important respects, been carried into practice; and that the only ground upon which ministers

stop short in correcting acknowledged error and abuse, is one beautifully and forcibly expressed in the Philadelphia memorial: That the fetters have sunk so deep they cannot be suddenly removed without tearing away a part of the flesh with them. The British example then, sir, should be to us as a beacon, to warn us of the rocks and shoals which lie in the way of this policy. Mr. Chairman: I have endeavored to maintain these propositions: that the state of the Treasury *does not* require an increase of revenue; that if it did, this bill would not effect it; that it is improper in us to exercise a power given for one object, so as to attempt to effect another; that the operation of this bill would be, by legislative coercion, to increase the profits of capital in some parts of the country to the exclusion of others; that it would produce none of the advantages which its friends contend for, but contrary and injurious effects; that manufacturers have a full share of the national protection and prosperity, and that, therefore, we ought not to add to it; that the example of Great Britain, which we are invited to imitate, is fading away in the broad light of experience. If I have succeeded in proving these positions, then, surely, the bill ought not to pass; but if it must pass, if like the meek and patient animal which is annually shorn of its fleece for the use of man, we must suffer, then, whilst the people will submit to the laws passed by the constituted authorities of the country, they will feel that spirit of discontent which arises from a belief that this law is not supported either upon principles of justice or sound policy.

CORRECTIONS IN MR. BARROUR'S SPEECH.

At page 21, 25th line from the top, the population of the United States is stated to be 4 to the square mile; Mr. B. ought to have said 5 to the square mile.

At page 34, 5th line from the bottom, after the word France, the following note should be added: "I find the discriminating duties are abolished, as between the United States, and the following countries, viz: The British dominions in Europe, Sweden, the European possessions of the Netherlands, Prussia, Hamburg, Bremen, Lubeck, and the dukedom of Oldenburg. As it respects France, discriminating duties are abolished on goods imported for transit, or re-exportation, and provision is made in certain events for the progressive abolition of the discriminating duty on imports; and, in the mean time, it is declared, that neither the discriminating duties on imports or tonnage shall exceed a given and very moderate sum."